U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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April 12, 2007

Mr. Frantz Mendes, President
Steelworkers LU 8751
25 Colgate Road
Roslindale, MA 02131

LM File Number: 512-081
Case Number: [redacted]

Dear Mr. Mendes:

This office has recently completed an audit of Steelworkers LU 8751 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you on April 11, 2007, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

The CAP disclosed a violation of LMRDA Section 201(b), which requires labor organizations to file annual financial reports accurately disclosing their financial condition and operations. The Labor Organization Annual Report (Form LM-3) filed by Local 8751 for fiscal year ending December 31, 2005, was deficient in the following areas:

The CAP disclosed Local 8751 did not include all disbursements to officers in Item 24 (All Officers and Disbursements to Officers). Some disbursements appear to have been reported as part of Statement B, Item 48 "Office and Administrative Expense." All direct disbursements to officers must be reported in Item 24 D (Gross Salary) and 24 E (Allowances and Other Disbursements). A "direct disbursement" to an officer is a payment made to an officer in the form of cash, property, goods, services or other things of value. The LM-3 reported the officer disbursement to President Steven Gillis as $1,868 but the union's record shows Mr. Gillis received disbursements totalling $2,059.

The CAP disclosed that while the union records accounted for all cash receipts (directly deposited dues, lost time refunds, CD interest), these receipts were not accurately

reported on the union's LM-3 report. The union's bank records show dues receipts of $123,830 and other receipts (lost time refunds) of $1,019. However, the LM-3 reports dues receipts of $123,772 and other receipts (lost time refunds) of $948.

The CAP disclosed that Local 8751 documented disbursements totalling $170,684 but reported $170,557 on the LM-3 report.

I am not requiring that Local 8751 file an amended LM Report for 2005 to correct the deficient items, but as agreed, Local 8751 will properly report the deficient items on all future reports filed with this agency.

I want to extend my personal appreciation to Steelworkers LU 8751 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,

[redacted]
Investigator

cc: Mr. Steven Gillis, Former President

Mr. Jean Thelusma, Financial Secretary

Mr. Jean Paul, Treasurer